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John Stevenson
Secretary, Ontario Securities Commission
20 Queen Street West
19th floor, Box 55
Toronto, Ontario M5H 3S8

Attn: John Stevenson

Sent via Email: jstevenson@osc.gov.on.ca

RE: OSC Staff Consultation Paper 45-710

Should an Offering Memorandum (OM) exemption be adopted in Ontario? If so, why?

Yes residents in Ontario desire and should have the opportunity to purchase exempt market securities through a qualified EMD that is responsible for ensuring that the investment is suitable for their portfolio. Providing access to this market for Investors meeting criteria as "Eligible investors", consistent with the standards imposed by each of the other Provinces, would significantly aid the public interest in the Province of Ontario. At present, residents in Ontario meeting Eligibility requirements, but not Accredited Investor status, are unfairly treated, being limited only to investment options in the public markets or to investments in real estate related transactions not deemed a Security by the OSC. We believe that these investors would be better served to have the opportunity to participate in the Private Marketplace, through the OM exemption and under the oversight of the Exempt Market Registrants. We believe that this should be a national standard that offers Canadian investors and business owners equal opportunity. We contend that the Private market served through this mechanism is a very important part of Canada's economy, providing access to capital for viable small and mid size business not of the size and scale to support listing in a secondary market and providing tangible investment opportunities for Canadian investors in these local Canadian businesses.

There has been substantial improvements in the regulation of the exempt market since the implementation of NI 31-103. This should provide comfort for the OSC to allow the system to regulate Ontario investors.

Should there be any monetary limits on (the OM) exemption?

No, we do not believe that there should be monetary limits imposed by the Provincial Commission. This would not be in the public interest and does not take into account the varied circumstance of each investor.. Each investor will clearly have a unique situation that only the registered dealer can be responsible for determining limits that are suitable, given their knowledge of the client goals, time horizons, risk tolerance, and objectives.

The unreasonably low thresholds proposed will not be significant enough to warrant investors to review the OM, nor allow market registrants to effectively process and provide oversight over such transactions in a cost effective manner. With this proposed threshold we do not foresee market adoption or participation in a viable manner. The proposed thresholds are not significant enough to absorb the costs typically associated with preparing such a document. We are absolutely convinced that these limits would only bring harm to the investor as it leaves the business owner with no opportunity to compete in a fair or efficient market. The costs of creation and placement of an Offering Memorandum into the marketplace are too high to make an OM viable for most business types under 10 million dollars. Again this varies by business and the Dealers need to decide what makes sense for their investors.

Each exempt market investment is unique and some are more diversified and less risky than others. It would not serve the best interest of the investor to advise that they can only invest \$2,500 in a single asset backed investment and simultaneously allow them to go invest \$100,000 via a self-directed online brokerage in a high risk public mining exploration stock out of the country.

We would strongly suggest you look at adopting the same limits as the majority of Canada. In the best interest of investors we would suggest that too many efficiencies have been taken away by the OSC with the small limits proposed and this will only lead to more failures due to extra regulatory and placement costs per dollar invested.

We are confident that 31-103 has moved the private market sector in the right direction and with the enhanced transparency, understanding, and oversight, we will continue to see better quality investments for investors in the years to come. This is a necessary driver for the Canadian economy and provides freedom of choice for investors.

Regards,



Darwin Zurfluh
Pinnacle Wealth Brokers Inc.
Chairman



Rick Unrau
Pinnacle Wealth Brokers Inc.
President / CEO